



FOR IMMEDIATE RELEASE
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CHANDLER MAN PLEADS GUILTY IN BANKRUPTCY FRAUD

PHOENIX – A Chandler man has admitted to fraudulently filing bankruptcy petitions on behalf of people who had no knowledge that he was doing so.

Mario Gerard Bernadel, 47, of Chandler, admitted Tuesday in United States District Court that in 2002 he approached two Valley married couples whose homes were in foreclosure. Bernadel prevailed upon the homeowners to sign their homes over to him in the belief that by doing so, they would each avoid having a mortgage foreclosure on their credit reports. After obtaining the homes in this manner, Bernadel then rented or leased the properties and collected rents on them.

Bernadel told United States District Judge James A. Teilborg that in April 2003 and again in October 2003, he fraudulently filed Chapter 13 voluntary bankruptcy petitions in the names of the homeowners. The filing of a petition in bankruptcy results in the automatic issuance of a stay of collections proceedings, including mortgage foreclosures and trustee's sales. Bernadel admitted that the homeowners had no knowledge that he filed bankruptcy petitions in their names and that he did so to halt the foreclosures so that he could continue to profit from renting the properties to others.

Bernadel entered guilty pleas to two counts of making false declarations in a bankruptcy proceeding. Each conviction carries a maximum penalty of five years imprisonment, a \$250,000 fine or both. Bernadel will also be ordered to pay restitution to his victims for any loss caused by his criminal conduct. Sentencing is set for November 27, 2006, before Judge Teilborg.

The investigation of this case was conducted by Tom Kadotani of the United States Trustee's Office. The prosecution is being handled by Frank T. Galati, Assistant United States Attorneys, District of Arizona, Phoenix.

CASE NUMBER: CR-06-0260 PHX-JAT
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